

# STATE OF ILLINOIS

## DEPARTMENT OF INSURANCE



IN THE MATTER OF THE  
REVOCATION OF LICENSING  
AUTHORITY OF:

HEARING NO. 14-HR-0899

CRYSTAL MUHAMMAD

### ORDER

I, Andrew Boron, Director of the Illinois Department of Insurance, hereby certify that I have read the Record in this matter and the hereto attached Findings of Fact, Conclusions of Law and Recommendations of the Hearing Officer, Simone Arthur, appointed and designated pursuant to Section 402 of the Illinois Insurance Code (215 ILCS 5/402) to conduct a Hearing in the above-captioned matter and that I have carefully considered the Record of the Hearing and the Findings of Fact, Conclusions of Law and Recommendations of the Hearing Officer attached hereto and made a part hereof.

I, Andrew Boron, Director of the Illinois Department of Insurance, being duly advised in the premises, do hereby adopt the Findings of Fact, Conclusions of Law and Recommendations of the Hearing Officer as my own, and based upon said Findings, Conclusions and Recommendations enter the following Order under the authority granted to me by Article XXIV and Article XXXI of the Illinois Insurance Code (215 ILCS 5/401 *et seq.* and 215 ILCS 5/500-5 *et seq.*) and Article X of the Illinois Administrative Procedure Act (5 ILCS 100/10-5 *et seq.*).

This Order is a Final Decision pursuant to the Illinois Administrative Procedure Act (5 ILCS 100/1 *et seq.*). Parties to the proceeding may petition the Director of Insurance for a Rehearing or to Reopen the Hearing pursuant to 50 Ill. Adm. Code 2402.280. Appeal of this Order is governed by the Illinois Administrative Review Law (735 ILCS 5/3-101 *et seq.*).

**NOW IT IS THEREFORE ORDERED THAT:**

- 1) That the Director's July 7, 2014 Order of Revocation revoking the Insurance Producer License of the Respondent, Crystal Muhammad, be rescinded.
- 2) That the \$4,000 civil penalty assessed against the Respondent, Crystal Muhammad, is waived; and
- 3) That the costs of this proceeding be waived.

DEPARTMENT OF INSURANCE  
State of Illinois

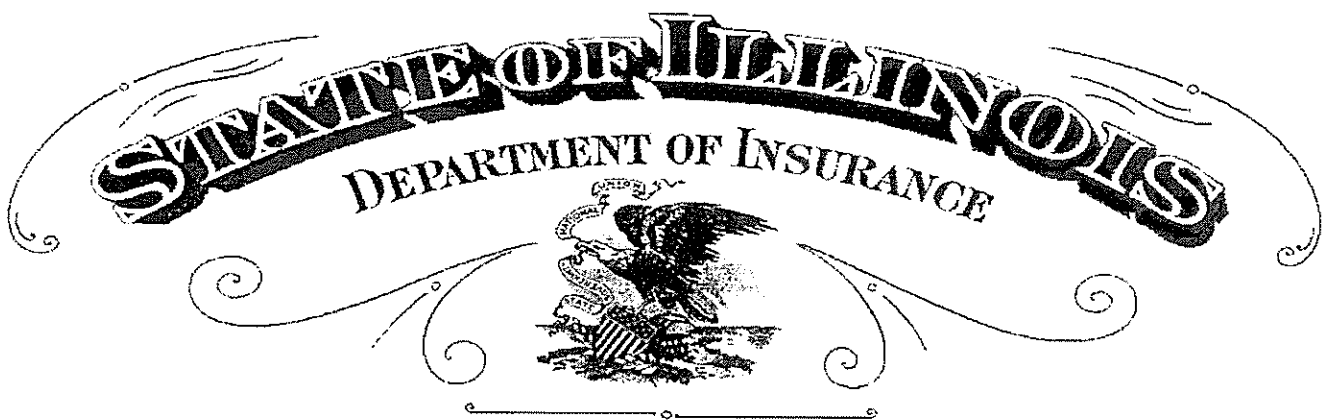
January 9, 2015

Date: \_\_\_\_\_



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Andrew Boron  
Director





IN THE MATTER OF THE  
REVOCATION OF THE LICENSING  
AUTHORITY OF:

HEARING NO. 14-HR-0899

CRYSTAL MUHAMMAD

**FINDINGS OF FACT, CONCLUSIONS OF LAW  
AND RECOMMENDATIONS OF THE  
HEARING OFFICER**

Now comes Simone Arthur, Hearing Officer, in the above-captioned matter and hereby offers her Findings of Fact, Conclusions of Law and Recommendations to the Director of Insurance.

**FINDINGS OF FACT**

**PROCEDURAL DOCUMENTS AND THE EVIDENCE**

- 1) On July 7, 2014, the Director of Insurance, Andrew Boron ("Director"), issued an Order of Revocation revoking the Illinois Producer License of Crystal Muhammad ("Respondent"). (Hearing Officer Exhibit #1, Admitted)
- 2) On August 4, 2014, the Illinois Department of Insurance ("Department") received a request for Hearing from the Respondent. (Hearing Officer Exhibit #2, Admitted)
- 3) On October 2, 2014, the Director issued a Notice of Hearing in this matter setting a Hearing date and location of November 7, 2014 at 2:00 p.m. at the Department's Offices in Chicago, Illinois. (Hearing Officer Exhibit #2, Admitted)
- 4) Ms. Barbara Delano and Mehreen Rajabali filed a Notice of Appearance as Counsel for the Department in this matter. (Hearing Officer Exhibit #2, Admitted)

- 5) On October 2, 2014, the Director issued an authority to conduct a hearing appointing Simone Arthur as the Hearing Officer in this matter. (Hearing Officer Exhibit #2, Admitted)
- 6) The Hearing in this matter was convened on November 7, 2014 at the Department's Offices in Chicago, Illinois at which time were present Simone Arthur, Hearing Officer; Barbara Delano on behalf of the Department; Crystal Muhammad, Respondent, appeared pro se; Paul Myers, Investigator and witness for the Department; and Shaunta Muhammad, Witness for the Respondent. Present but not testifying were Marty McGrory and Diana Zuver from the Department.
- 7) The purpose of this proceeding was to determine the Respondent's eligibility to hold an Illinois Insurance Producer License and to determine whether the Director's Order of Revocation should stand.
- 8) In its Case-in-Chief, the Department through its attorney Barbara Delano, made an opening statement it would present evidence and testimony showing the Respondent collected insurance premiums from customers but did not deposit them with United Insurance Company of America ("United"), her former employer. This resulted in a total of \$2214.20<sup>1</sup> that was not turned over to United.
- 9) The Respondent waived opening statement.
- 10) Paul Myers testified in this matter on behalf of the Department as follows (R. 13- 31):
  - a) He has been employed by the Department for 2.5 years as an Investigator with the Producer Regulatory Unit investigating new applicants for an insurance producer license and alleged misconduct by agents. He began conducting an investigation of Crystal Muhammad after receiving a Notice of Deficiency from her former employer, United, dated April 3, 2012. (Department Exhibit #1, Admitted)
  - b) The Notice of Deficiency was sent United on April 3, 2012 addressed to the Department referencing the Respondent's name, social security number and a balance due of \$1,841.56. It also indicates a recent audit by United indicated the Respondent collected \$2,054.71 from policyholders which were not deposited with the employer. The Respondent bond amount of \$346.47 did not cover the deficiency leaving a balance due of \$1,841.56. The exhibit is signed by Anthony Peterson, the Regional Vice President for the United Insurance Company of America.

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<sup>1</sup> In the transcript, the Department's Counsel misstates the total amount Respondent owes United. The correct amount is \$2,014.20. Transcript page 9.

- c) It is standard practice for the Department to initiate investigations based on a deficiency letter from an insurance company. An additional Notice of Deficiency was sent by United to the respondent on February 26, 2013. The Department received this Notice during its investigation and learned of an additional deficiency amount of \$172.64, which makes the total balance of improperly withheld premium \$2014.20. This document was addressed to the Respondent and signed by Tommy Molpus ("Molpus"), the Regional Vice President of the United Insurance Company of America. (Department Exhibit #2, Admitted)
- d) He received the Audit of the Respondent's accounts from United during the course of his investigation. He confirmed that the deficiency numbers United reported in Department Exhibits #1 and #2 were supported by the documents in this audit. He was unable to confirm that the amount listed as deficient was not deposited by the Respondent with United.
- e) This hearing is the first time the Respondent has had the opportunity to see Department Group Exhibit #3. She was allowed an opportunity to review the document off the record. She objected to many facets of information in the document but not to the admission of it. (Department Group Exhibit #3, Admitted)
- f) He contacted the Respondent multiple times as part of his investigation but never received a response.
- g) When reviewing documentation given to him by United, he uncovered two handwritten statements. The first was written and signed by Nieseng Bryant ("Client A") on December 21, 2011 alleging the Respondent offered her one month free of insurance or a \$25 gas card for referring her sister Antionette Bryant ("Client B"). Client A chose one month free for November 2011. He confirmed this statement with Client A by phone. (Department Exhibit #4, Admitted)
- h) The second document was written and signed by Antionette Bryant ("Client B") on December 29, 2011 alleging the Respondent gave her one month free of Insurance when she signed up for a family plan and paid the first two months up front in cash. She was told the next payment was due in February 2012. He confirmed this statement with Client B by phone. (Department Exhibit #4, Admitted)
- i) After the reviewing the documentation and speaking to Clients A and B, he concluded the Respondent violated the rebating laws of the insurance laws of

the State of Illinois. He also concluded the Respondent misappropriated or improperly withheld premiums from United. The decision was made to revoke the Respondent's license and include a \$4,000 civil penalty.

- 11) On Cross Examination by the Respondent, Paul Myers testified in this matter as follows (R. 32-40):
- a) The handwritten statements from Client A and Client B were not provided to him by either of the clients. His interaction with them occurred only over the phone, two or three times. (Department Exhibits #4 and #5)
  - b) The two pages preceding Department Group Exhibit 3A show a deficiency of \$172.64 which is noted in the additional Notice of Deficiency letter dated February 26, 2013. 3A is a Deficiency Report from United from the week of 10-03-11. Two names and three policies are listed, one name has two policies. The first person ("Hughes") has one policy deficient for two months at \$52.85 per month. The second person ("Shepard") has one policy deficient for one month at \$46.21 and a second policy deficient for one month at \$20.73. The total is \$172.64 which is what United listed in the additional Deficiency Notice.
  - c) The Family Group Pair Information page in the Audit has an issue date which is when the policy was originally issued and does not refer to any payment. <sup>2</sup> (Department Group Exhibit #3B)
  - d) The issue date in the Family Group Pair Information page of the Audit does not match to the Field Accounting Collection History – Gloria Hughes page of the audit. <sup>3</sup> (Department Group Exhibit #3C)
- 12) On Re-Direct Examination by Ms. Delano, Paul Myers testified in this matter as follows (R. 41-42):
- a) In Department Group Exhibit #3A, Gloria Hughes is listed as being deficient \$105.64 total for two months with a premium of \$52.85 per month. The deficiency report is for the week of 10/3/11.
  - b) The pages following Department Group Exhibit #3B provide support for the total of \$172.64 and are listed by policy or individual.

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<sup>2</sup> Document identified as Department Group Exhibit 3B does not corroborate with the testimony from transcript pages 37-40.

<sup>3</sup> No issue date for this policy is listed.

- c) Exhibit #3A contains an error. The amount of the deficient premium is \$52.85 per month for two months equaling \$105.70. The amount is also listed in summation as \$105.64.
- 13) In her case-in-chief, Crystal Muhammad, Respondent, testified in this matter as follows (R. 44-61):
- a) Her date of hire was June 11, 2011 and she was to be trained for five or six weeks before she was to be given her own book of business. She left United to go work for another insurance company on October 29, 2011. She was given a book of business three weeks before she left but it was not released to her. It was still under Paulette Simmons' ("Simmons") name because it still had monies owed on it. She turned in her handheld before she left United.
  - b) The four Route Sheet pages<sup>4</sup> in the Audit begin in November 2011, after she was gone from United Insurance. (Department Group Exhibit #3D)
  - c) Just before turning in her handheld at the end of October 2011, she asked United if anything was owed on the books as far as her reserves went or if there were any discrepancies. At this time she was told she owed no money.
  - d) The Customer Card for Gloria Hughes in the Audit shows two policies issued on April 22, 2011. It has a paid date of May 2011. Respondent was not released this booklet until the second week of August 2011. Respondent would have ridden with her lead for two weeks to learn her route and first went in her own routes August 20 or 22, 2011. She did not get released this book until August 2011. (Department Group Exhibit #3E)
  - e) This Premium Payment sheet from the Audit lacks a customer name, has unclear dates listed, and has Respondent's signed initials which were not signed by Respondent. She had not begun working for the company at the time her initials were signed on this document. She had not finished training nor was she licensed to sign off on anything regarding premiums. She started June 13, 2011. (Department Group Exhibit #3F)
  - f) The Field Accounting Collection History – Gloria Gibbs page of the Audit was generated when the lead took payment and gave notice of what was collected from the customer. She, Respondent, was still out with Simmons at

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<sup>4</sup> Pages 4-7 in Department Group Exhibit 3.

this time because Simmons was lead over this account. The field person takes the sheet and the agent signs off on it on their card. (Department Group Exhibit #3G)

- g) The Daily District Activity page from Audit has a run date of January 20, 2012 and has a name on it which looks like Lawlin or Rawlin. She was not employed by United at this time. (Department Group Exhibit 3H)
- h) The Agent Deficiency Report - Part I page from the Audit has a date posted of December 9, 2011, a time the she was not at the United. (Department Group Exhibit 3I)
- i) The Agent Deficiency Report – Part II page from the Audit dated December 9, 2011 is a document she is not familiar with because she left United before the date listed. It shows deficiencies that are not all the same date or time for her or on a route list for her.<sup>5</sup> The team lead was collecting on this book before it was given to her. Many of these dates are not consistent. These dates do not match the dates of employment for her; some list 2010 and some go to August 2012. (Department Group Exhibit #3J)
- j) Simmons and Besina Carey (“Carey”) collected money and did not turn it in for these accounts which she told her boss Sonya Young (“Young”) when asked.
- k) She turned in her hand held device to United at the time of her departure in October 2011 and watched United go through it. She was told everything was okay and heard nothing else from the United until she heard from Myers.
- l) She tried to reach out to the new manager at United, Mr. Boyd (“Boyd”), who was unwilling to see her. Young was no longer working there. Boyd told her to talk to United corporate who told her she needed to speak with Boyd. She waited for hours at his office but he would not see her.
- m) Agent Deficiency Report – Part III from the Audit is a report covering weeks ending November 28, 2011 through May, 2012.<sup>6</sup> This shows her name on the accounts long after she had left United. It is signed by Carey, Young, and Mopis. (Department Group Exhibit #3K)
- n) In Department Group Exhibit #3, the dates are not accurate. She did not offer rebates to clients. Some of the signatures here have been botched, they are not hers.

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<sup>5</sup> The dates on Department Group Exhibit #3J are consistent.

<sup>6</sup> The weeks covered in Department Group Exhibit 3K cover November 28, 2011 through August 30, 2012 but are not all consecutive. The amount owed United by respondent is listed as \$2,591.37.



14) On Cross Examination Crystal Muhammad testified in this matter as follows: (R.62-78):

- a) The numbers in the Premium Payment page of \$60, \$50, \$52.85, \$52.85, \$52.85, and \$52.85, Department Group Exhibit #3F, do not match up with the numbers in Field Account Collection History page, Department Group Exhibit #3G, which has the amounts \$175 and \$245 listed.
- b) The Agent Deficient Report – Part III page, Department Group Exhibit #3K, lists the word “supp.” next to “February 12”<sup>7</sup> and the word indicates some type of suspension. The deficiency listed is \$2,804.52. The total amount of the deficiency listed in Department Exhibits #1 and #2 is \$2014.20 which is an amount lower than the amount listed in #3K.
- c) She was working for the employer on October 3, 2011, the date listed on the United Deficiency Report for the week ending October 3, 2011, Department Group Exhibit #3A. She had not heard about the Notice of Deficiency, Department Exhibit #1, until she spoke to Myers but did receive the Additional Notice of Deficiency, Department Exhibit #2.
- d) She was unsuccessful in getting information from Boyd at United and was told to go to corporate who referred her back to Boyd. United did not make any attempts to collect this debt from her. She provided a written copy of her dispute of the deficiencies personally to Boyd. She was still unable to get any information from United. She disputes all deficiencies alleged. She did not owe United money when she left employment with them.
- e) She got the hire date from United on June 13 but did not come in until June 26 or 27. She then trained for five weeks. She put in her two week notice in October. You are paid when in training but the money comes out of your surety bond. After training, there is no pay other than what you make on your own. You are responsible for getting your own insurance. The transportation was too far for her to drive to pick up one debit.
- f) Premiums are collected by money orders, checks, or cash which is entered immediately into the handheld. Then you sign the client’s book that you have cash and then the customer verifies before the statement is signed.
- g) The handheld is an electronic device an agent would enter the customer’s information and the payment into, which would update to the computer system. A payment by check is taken and then the customer booklet is signed. Payments are turned in to United the morning of the next day. Payments are turned in to United’s secretary who issues a tally sheet. The agent writes the payments on the tally sheet and adds the numbers up at the bottom. The tally

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<sup>7</sup> The date actually listed is February 22.

sheet is then turned in with the handheld, checks and money orders. United then tallies the numbers to verify they are correct. United then extracts the payments out of the handheld and gives the handheld back.

- h) Every time premiums are collected, they are submitted the next day at United in Hillside.
  - i) She has a previous married name of Crystal White. Her start time with United was delayed due to her changing her name with the Illinois Department of Insurance, which caused her training to last six weeks. She was told to shadow Carey or Simmons for two weeks and they were going to show her her route, how to sign people up with handhelds, and how to take payments. You are released on your own after two weeks of shadowing. She knew of no discrepancies at the beginning of October. At this time she was told she was changed over as the agent on the card and the agent over the books.
  - j) She is currently employed by Acceptance Insurance ("Acceptance") at 87th and Halsted since October 25, 2011. She was employed by Acceptance once before. Prior to joining United, she worked at Rent-A-Center in Schererville, Indiana. She was a licensed insurance producer under the name of Crystal White at that time. She has been a licensed insurance producer in Illinois since the early 2000s which was only a PNC. She got her health and life when she came to United. She currently holds a PNC, life and health. She is not licensed elsewhere and has been working as an insurance agent off and on since the early 2000s. She has never had her license terminated or had any other disciplinary actions in terms of employment. She has not been involved in any other disciplinary actions. She holds no other licenses.
  - k) If permitted to keep her license, she would continue to sell insurance and train new insurance agents.
  - l) When collecting insurance premiums, she never gave her payments to someone else to submit on her behalf. She is not aware what United claims she owes.
- 15) On Direct Examination by Respondent, Shaunta Muhammad testified in this matter as follows (R.79-82):
- a) She has known Respondent since 2010 and has been friends with her since 2011. She is aware of the dates the Respondent has worked for United and the dates given are correct. Respondent left United at the end of October and began with Yale late October or early November. Respondent is absolutely an honest individual.

- 16) On Cross Examination by Ms. Delano, Shaunta Muhammad testified in this matter as follows (R. 82- ):
- a) She is licensed as an insurance producer in Indiana since 2006. She was licensed in Illinois from 2006-2012. She forgot to renew her Illinois license. She has had no disciplinary issues with her license in Illinois or Indiana. She knows her from the insurance industry as well as outside. They have never worked together.
- 17) Midwest Litigation Services recorded the testimony taken in this proceeding and charged the Department \$609.00 for the court reporter's attendance and one copy of the proceeding.

### DISCUSSION AND ADDITIONAL FINDINGS

- 18) The purpose of this proceeding was to determine the Respondent's eligibility to hold an Illinois Insurance Producer License and to determine whether the Director's Order of Revocation revoking said license should stand.

In the Order of Revocation and Notice of Hearing in this matter, the Department alleges that by withholding insurance premiums from her employer in the amount of \$2014.20 the Respondent demonstrated untrustworthiness and financial irresponsibility in the conduct of business in this State. The Department further alleges that by improperly withholding premiums from the insurer, the Respondent has violated Section 5/500-115 of the Illinois Insurance Code (215 ILCS 5/500-115), which is a ground for revocation and levying a civil penalty pursuant to Section 5/500-70(a)(4) of the Illinois Insurance Code (215 ILCS 5/500-70(a)(4)). The Department further alleges the Respondent offered two clients a free month of policy premiums or a gift card for referrals and/or purchasing an insurance policy. This violates Section 5/151 of the Illinois Insurance Code (215 ILCS 5/151). The Department cites Section 5/500-70(a) (2), (a) (5), and (a) (8) as grounds for revocation and levying a civil penalty of \$4,000.00.

Section 500-70 of the Code provides in pertinent part:

License denial, nonrenewal, or revocation. (a) The Director may place on probation, suspend, revoke, or refuse to issue or renew an insurance producer's license or may levy a civil penalty in accordance with this Section or take any combination of actions, for any one or more of the following causes:...

- (2) violating any insurance laws, or violating any rule, subpoena, or order of the Director or of another state's insurance commissioner;...

- (4) improperly withholding, misappropriating or converting any moneys or properties received in the course of doing business;...
- (8) using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this State or elsewhere.

The evidence presented in this matter regarding an allegation of offering free insurance premiums or gift cards for referrals and/or purchase of an insurance policy in the Order of Revocation does not support a finding by a preponderance of the evidence that the Respondent engaged in that activity in violation of section 5/151 of the Illinois Code (215 ILCS 5/151). The Department submitted three exhibits into evidence in support of this allegation. Client A provided a written statement signed on December 21, 2011 (Department Exhibit #4) claiming the Respondent offered her a free month of insurance for November 2011 or a \$25.00 gas card for referring her sister, Client B, to the Respondent. Client A chose one month of free insurance. Client B provided a written statement (Department Exhibit #5) signed on December 29, 2011 claiming the Respondent gave her one month free for purchasing a family insurance plan and that her cousin, Client A, could pick either one month free of insurance or a gas card. Page 3 of Department Group Exhibit #3 shows both Client A and Client B appearing on an agency deficient report for the week of January 20, 2012.

Not only did the Department fail to provide the originals of Client A and B's signed statements (Department Exhibits #4 and #5) as evidentiary exhibits but it did not present either of the Clients at the hearing to provide testimony. This precluded the Respondent an opportunity to cross examine the evidence. The admitted statements lack important details such as the date, location, type of policy, and the circumstances under which these rebate offers were allegedly made. Myers stated that he interviewed the Clients once, possibly twice, by phone only. The respondent denied offering the Clients rebates. The only in-person testimony with personal knowledge of the dealings involving Clients A and B is that of the Respondent, which was credible. The written statements entered into evidence were neither sworn affidavits nor the result of depositions. The Hearing Officer was unable to determine the authenticity of the Department's Exhibits #4 and #5 and as such could not find the offered content credible.

Regarding allegation of improperly withholding insurance premiums in the Order of Revocation, the evidence presented in this matter does not support a finding by a preponderance of the evidence that the Respondent engaged in that activity in violation of Section 500-115 of the Illinois Insurance Code (215 ILCS 5/500-115), which is grounds for revocation and levying a civil penalty pursuant to Section 5/500-70(a)(4) of the Illinois Insurance Code (215 ILCS 5/500-70(a)(4)).

This hearing was very difficult to follow. Department Group Exhibit #3 included 104 pages, none of which were numbered. The day of the hearing was the first time the Respondent had seen this exhibit. The Department's examination of this Exhibit through their witness was non-existent, it was just offered into evidence. The majority of testimony about this exhibit came from the respondent who testified to misstatements and inaccuracies she maintained it included. The transcript did not always match up to the pages in Department Group Exhibit #3 being discussed. The Respondent was unable to present clear and consistent testimony regarding her beginning and end dates at United. She was unable to clearly describe her training and when she would be given her own book of business. Many of the dates showing past due premiums were dates after the respondent left United. The Department did not address these discrepancies. The exact amount the Respondent is deficient cannot even be certainly ascertained. The Department argues the amount is \$2,014.20, the combined amounts in department Exhibits #1 and #2 but Department Group Exhibit 3K states an amount of \$2,591.37. The Department's exhibits contain mathematical errors or unexplained discrepancies which tend to make the exhibits unreliable.

The Department failed to present a witness from United Insurance. An unnamed party at United put together the documents which make up Department Group Exhibit #3. The Department only provided a Department Investigator as a witness, who had no first person knowledge of the documents in this exhibit. The investigator did not interview anyone at United regarding this exhibit. The Department did not provide a direct examination of Myers regarding this exhibit, just minimal re-direct after cross. The Department did not provide any explanation of the documents in Group Exhibit #3, only presenting it as a collection of pages handed over to Myers by United. The Respondent is the only person who provided an explanation of Group Exhibit #3.

Department Exhibit #1 is dated April 12, 2012 and indicates the Respondent collected \$2,054.71 from policyholders that were not deposited with United. These numbers were not accurately explained. The document refers to respondent's a bond of \$346.47 but no explanation of its meaning was offered. Presumably, the bond is the Respondent's credit with United which offsets her deficiency. The math does not work. \$346.47 subtracted from \$2,054.71 equals \$1,708.24, not \$1,841.56. This discrepancy of \$133.32 difference was not explained by the Department.

Department Exhibit #2 is dated February 26, 2013 and indicates the Respondent owes an additional deficiency of \$172.64. Department Group Exhibit #3 is the supporting documentation for the amounts owed listed in Exhibit #1 and Exhibit #2. The total amount owed based on Exhibits #1 and #2 is \$2,014.20. Myers clearly stated in his testimony that he was "not able to actually confirm that the amount was – was not deposited by the licensee." (Page 21 Transcript)

The first page of Department Group Exhibit #3 is an Agent Deficiency Report completed February 10, 2012 showing a deficient balance of \$2,054.71, less postage of \$133.32, less her bond on deposit of \$346.47 resulting in a balance owed by Respondent of \$1,841.56. This exhibit also shows dates of employment of June 13 through November 23, 2011. The Respondent credibly testified her dates of employment were on or about June 13 through on or about October 24, 2011. This testimony neither rebutted nor impeached. A total deficiency for the posted date of the week of November 28, 2011 is listed as \$694.79; the week of December 9, 2011 as \$547.94; the week of December 29, 2011 as \$323.60; and the week of January 20, 2012 as \$488.38. These totals equal \$2,054.71. All of these weeks listed are after the Respondent's reported last day of employment.

Department Group Exhibit #3, page A is an Agent deficient Report for the week of October 3, 2011, a week the Respondent was still employed by United. This document shows policyholder G. Hughes's policy two months deficient at \$52.85 per month which should total \$105.70 owed but the employer calculated the deficient amount as \$105.64, which is \$.06 different. This discrepancy was not explained. Page A also shows policyholder S. Shepard deficient for one month on each of two separate policies, \$46.21 on one and \$20.73 on the other. These amounts together, inclusive of the correct calculation for the Hughes deficiency of \$105.70 equal \$172.64, the same amount listed as an additional deficiency owed by the Respondent in Department Exhibit #2.

Department Group Exhibit 3K shows a deficiency balance owed by the Respondent of \$2,591.37 dated January 25, 2013 in an Agent Deficient Report. This balance is different than those mentioned in Exhibits #1 and #2 or the sum of both. This is approximately fifteen months after the respondent left the firm and includes deficiencies from the weeks where the Respondent states she no longer worked for United - ending November 28, 2011; December 9, 2011; December 29, 2011; January 29, 2011; February 22, 2012; February 29, 2012, August 30, 2012; and May 5, 2012.

The Respondent testified that when she started employment she was given a book of business which already had delinquent accounts that were not collected upon by the previous book manager. She also testified that when she turned in her equipment at the time of resignation at the end of October 2011 she was told by United she did not owe them any money. When she learned of this alleged debt from DOI, she was unable to meet with the management of United to investigate the allegation. She stated she turned in all the premiums she collected. Her testimony was credible and unrebutted.

That United claims the Respondent owes them money for not turning in premiums collected does not simply make it so. The Department must prove the allegations and has not

done so. The Department's evidence for this is Department Group Exhibit 3 for which no explanation was given. The documents in Department Exhibit #3 are indecipherable as a whole and often so individually. They show monies owed to United long after the Respondent stopped working there. They also contain simple mathematical errors. Department Exhibit #3K even shows an entirely different amount owed than listed in Department Exhibits #1 and #2. United's documents cannot be relied upon. The allegations of the rebates to Clients A and B have been successfully rebutted by the Respondent with her credible testimony. The Department Investigator could not determine that the Respondent had not turned in the premiums nor could he confirm she owed United anything.

The Hearing Officer finds that the revocation of the Respondent's insurance producer license for the above referenced violations inappropriate. The Hearing Officer finds that the Respondent did not violate the Illinois Insurance Code. Though the Director was well within his statutory authority when he assessed the civil penalty of \$4000, the penalty should be waived as there was no violation of the Illinois Insurance Code. The Hearing Officer further finds that pursuant to Section 408 of the Code and 50 Ill. Adm. Code 2402.270 the Director may assess the costs of this proceeding against the parties. Midwest Litigation Services recorded the testimony in this matter and charged the Department \$609.00 for the transcripts of the proceeding and the court reporter's attendance (Hearing Officer Exhibit # 3).

### **CONCLUSIONS OF LAW**

Based upon the above-listed Findings of Fact and the entire Record in this matter the Hearing Officer offers the following Conclusions of Law to the Director of Insurance.

- 1) Simone Arthur was duly appointed Hearing Officer in this matter pursuant to Section 5/402 of the Illinois Insurance Code (215 ILCS 5/402).
- 2) The Director of Insurance has jurisdiction over the subject matter and the parties in this proceeding pursuant to Sections 5/401, 5/402, 5/403 and 5/500-70 of the Illinois Insurance Code (215 ILCS 5/401, 5/402, 5/403 and 5/500-70).
- 3) The Order of Revocation previously issued in this matter was within the Director's statutory authority pursuant to Section 5/500-70(a)(2), (A)(5), and (A)(8) of the Illinois Insurance Code (215 ILCS 5/500-70(a)(2), (a)(5), and (a)(8)).


### RECOMMENDATIONS

Based upon the above-listed Findings of Fact, Conclusions of Law and the entire Record in this matter, the Hearing Officer offers the following Recommendations to the Director of Insurance:

- 1) That the Director's July 7, 2014 Order of Revocation revoking the Insurance Producer License of the Respondent, Crystal Muhammad, be rescinded.
- 2) That the \$4,000 civil penalty assessed against the Respondent, Crystal Muhammad, is waived; and
- 3) That the cost of this proceeding be waived.

Respectfully submitted,

Date: 12/3/14

  
Simone Arthur  
Hearing Officer




CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on 1-13, 20<sup>15</sup>, I caused a true and correct copy of the foregoing instrument to be served upon the Attorneys of Record or Parties to the above captioned matter, by the designated means:

Crystal Muhammad  
7930 S. Maplewood Ave.  
Chicago, IL 60652-1721

☒ first class mail  
☒ certified mail # 7203  
☐ hand delivery  
☐ electronic mail  
☐ via facsimile

  
\_\_\_\_\_  
Mary Ann Lelys  
Administrative Assistant